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ABSTRACT

National University and Sierra College Small Business Development Center (SBDC) have jointly developed a program whereby small businesses become clients of the SBDC and are screened and selected as "living case studies" for National University's practicum for bachelor's and master's of business administration candidates. The new course replaces a capstone course based on a fictitious business and various computer simulations. Since July 1991, 10 living case studies classes have been conducted, and 118 students have completed the course. The objectives established for the course are as follows: conduct a strategic analysis of an organization, evaluate various management strategies in the development of a business plan, apply principles of interpersonal and group relations by giving and receiving feedback on individual and group behavior, and apply principles of communication and management consulting in the preparation and presentation of written and oral proposals to a client. Students keep individual journals and participate in peer evaluations of each member of their consulting team; instructors serve as resource consultants and reviewers. Student, client, and instructor reaction to the new living case study course has been quite positive. (MN)

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Experiential Learning and Community Service in a Business Program: A "Living Case Study" Model and Analysis

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PURPOSE

Most business education programs in higher education culminate with a project which allows participants to synthesize and to demonstrate the learnings gained from their program. Traditionally, this is accomplished through a comprehensive examination or a senior or masters thesis. The utility of these methodologies for adult learners, particularly in applied programs in business and management, has been questioned (Stanton, 1987). Other teaching methods which permit learners to synthesize their learnings through internships and practica have become increasingly popular (Estes, 1972; MacNab, 1990, Specht, 1985, Vardi, 1985, Hackbert, 1992).

The purpose of this paper is to describe a program developed through a cooperative agreement between National University and Sierra College Small Business Development Center (SBDC) whereby small business clients to the SBDC are screened and selected as "Living Case Studies" for students in National University's Bachelor of Business Administration and Master of Business Administration practicum course. We would like to provide the reader with (1) a description of the program, an assessment of learning outcomes, and lessons we learned during the program development (2) enough background on experiential learning to establish the the theoretical basis of the teaching methodology, and (3) sufficient detail on the activities involved in developing the program so that similar programs can be established at other institutions.

BACKGROUND

The academy has not generally embraced the need for developing practical, job-oriented skills in higher education. Stanton writes:

> "...in the world of traditional postsecondary education, participation is normally separated from scholarly inquiry, these are radical comments. One must look far afield to find curriculum that requires of students substantive academic inquiry combined with and based upon active participation in socially responsible activity. In the academy, knowledge development lies within the realm of academic departments. concerns with work, with moral development, with community participation lie with student affairs or residence staff, religious groups, or other non-academic administrators..."

> "This separation of service from learning reflects higher education's traditional distinction between theory and practice and between teaching and research. It inhibits both the effectiveness of students' service efforts and the depth of their learning while they are involved. It leaves the development of citizens who are committed to thoughtful, value-oriented participation in public life to be more of an accidental, secondary outcome of education and service rather than an explicit educational objective." (Stanton, 1987:16).

While separation of theory and practice still predominates in traditional higher education, there have been an increasing number of teachers and administrators calling for an increase in experiential learning programs. The National Institution of Education Study Group on Excellence in American Higher Education (1984) recommended faculty increase their use of "internships and other forms of carefully monitored experiential learning" There is also a growing body of research which suggests that "Learning activities which require learners to apply knowledge and skills to the solution of problems more often develop the higher cognitive skills than do traditional classroom methods." (Cross 1987).

While internships and practica have not gained widespread popularity in higher education, they are not new concepts. Dewey (1919) recognized the need for involvement of participants in their own learning and argued that knowledge must be linked to experience. He also noted, however that activity does not necessarily lead to experience or learning. Kolb (1984) provides a model of experiential learning that can act as a conceptual framework for designing the methodology of a course to insure that activity is translated into experience and learning.

The Living Case Study program is based on the educational philosophy of Dewey in that participants are heavily involved in their own learning. The teaching methodology is also guided by Kolb's model of experiential learning. Through use of a journal and other activities, participants are allowed to reflect on their learning and to form generalizations which will permit them to apply their learnings in new situations.

PROGRAM DESCRIPTION

Both graduate and undergraduate business administration programs at National University culminate with a "Capstone" course which is designed to provide the opportunity for participants to apply the knowledge gained during their program and to realize an integration of previously acquired competencies. The Capstone courses and other courses in the National University School of Management and Business are conducted in an accelerated one-month format.

Typically, the Capstone course was taught using either a fictitious business or through the use of various computer simulations. Gene Freund, a consultant with the Sierra College SBDC and a Core Adjunct Professor at National University, first identified the potential of an alliance whereby participants in N.U.'s Capstone courses would act as consultants to SBDC clients.

The alliance provides a win/win situation for all involved. Student participants gain by working with a living, viable business which requires them to apply every aspect of their business program such as finance, marketing, human resources, etc. Students have commented that the intensity and demands of the course is greater than the other courses in their program because they are working with a real business and the client will, in all probability, invest his or her own money to implement their recommendations.

The SBDC client gains from the experience in several ways:

1. In many cases, the preparation for the course is the first time they have examined all aspects of their business, and the inter-relationships between their business, the industry, and other external agencies.
2. The analysis often validates the clients own perception of the situation and motivates him or her to take action.
3. The strategic analysis and business plan provide the client with a road map for future development and success.

The first Living Case Study Capstone course was conducted in July 1991. To date ten classes have been conducted and 118 students have completed the course.

METHODOLOGY

Course Objectives and Requirements

On completion of the Capstone course, participants are expected to achieve the following objectives:

1. Conduct a strategic analysis of an organization.
2. Evaluate various management strategies in the development of a business plan.
3. Apply principles of interpersonal and group relations by giving and receiving feedback on individual and group behavior.
4. Apply principles of communication and management consulting in the preparation and presentation of written and oral proposals to a client.

Participants are tasked with producing the following:

- Written business plan and oral presentation of the strategic analysis of the client's business submitted by each consulting team.
- Individual journal which relates learnings to relevant management and business principles.
- Peer evaluation of each of member of their consulting team.

The individual journal was designed to assist participants to reflect on their experiences and to generalize from them to form management principles which could be applied later in their professional careers. Participants are given a lecture and handout on experiential learning and are asked to reflect on their and others' behavior. They are required to record their feelings and reactions to the process of their consulting team, and to try to think of ways the task they are accomplishing can be related to their professional lives

The peer evaluation was designed to insure all team members participated in the project and that as few did not allow others to carry the burden.

Course Activities and Role of the Instructor

In the first class session, participants are placed in the role of management consulting teams of 4-7 members. The course objectives and requirements are reviewed. The client is introduced and presents his or her case. The participants are then tasked with the project of developing a business plan or strategic analysis of the client's business. Participants are told that the project will be

presented to the client on the last day of class in writing and through a one-hour oral presentation.

Participants receive two texts; one concerns strategic analysis (Omahe, 1982), while the other provides guidance on the writing of a business plan (Abrams, 1991).

The instructor teaching the course acts as a resource consultant to the participants and does not intervene in the course content unless the participants are clearly headed in the wrong direction. The process of the course is designed to follow Kolb's (1984) model of experiential learning. While the major activity of the course is the development of a business plan. The instructor is most concerned with insuring that participants reflect on their actions and those of other group members and try to form some generalizations from these behaviors which may be applied later. During the course the instructor will call "time outs" in order to have participants review a particular action, to provide feedback on the group's behavior, or to have participants reflect and generalize on some aspect of the consulting process.

Client Selection

There are several basic criteria for screening potential client organizations. First, the organization must have sufficient data to provide a case that is broad enough to encompass all of the basic functional areas of management, marketing, accounting, finance, and operations covered in the participants educational program. Second, the owner or manager of the business must have an understanding of the principles of business and management so he or she can present the case to the participants, understand the strategic analysis, and implement the recommendations provided by the participants.

It is desirable that a functioning business be selected. Time, along with other constraints, does not allow for the class to pursue feasibility studies, examine new technologies, etc.; although these should not be summarily discounted.

The following are basic criteria that prospective clients should meet:

1. Client must understand basic management and business principles and recognize the merits of having a business plan.
2. The business must be in an industry must be one that has data available.
3. The potential of the business must be broad enough to challenge the class. (ie., a home-based word processing business is not a good choice).
4. If possible the business should be one that can seek international opportunities.
5. The business should have an immediate (within 18 months) potential for growth or change (job creation, expansion, transition, etc.) to provide students the opportunity to develop a plan for addition of staff, use of capital, facilities, etc.
6. The business should have enough employees (>3) so that human resource issues will surface.
7. The business should demonstrate enough annual volume in units sold and annual gross sales to surface issues of inventory control, warehousing, and cash flow.

Client Preparation

Six to eight weeks prior to the start of the class the client meets with the instructor teaching the course. The client is briefed on the data he or she will need to provide the course participants and is assisted in organizing and presenting their case. Experience has shown that this length of time is necessary in order to give the client adequate time to prepare and assemble the information needed.

A Memorandum of Agreement between the client and the instructor is drawn. In the agreement the client agrees to provide the requested data and to be present at the prescribed times and to meet with class participants as needed. He or she is also reminded that, although he or she can be expected to receive a valuable service, the basic objective of the program in which they are participating is to provide an educational experience for class participants that will allow them to demonstrate all of their acquired competencies in a real environment. The instructor agrees to maintain confidentiality of information provided by the client and to address any other concerns regarding proprietary information provided by the client.

During the process of client preparation, the instructor must gain sufficient familiarity with the client's business so he/she can function as an agent of the client during the class.

ANALYSIS

Analysis of the program was conducted by gathering perceptual information from both participants and clients through questionnaires and interviews.

Participants were surveyed by questionnaires sent between one month to one and fifteen months after they completed the course. The questionnaire focused on the degree to which participants felt they had achieved the course learning objectives, the usefulness of the skills and knowledge gained from the course, and recommendations for improving the program. A total of 118 participants in 11 classes (six undergraduate and 5 graduate) conducted between June 1991 and November 1992 were surveyed. Forty nine surveys were returned, producing a response rate of 42 percent.

The ten clients who participated in the program were interviewed in October 1992. Client interviews were held to investigate the long-term satisfaction and applicability of the data generated by the participant's work. Clients were asked to evaluate the depth of analysis and usefulness of the products they received. They were also asked for recommendations to improve the program.

Participant Evaluation.

Questions 1-5 of the questionnaire asked participants rate on a 1 - 5 scale (1 = completely dissatisfied, 5 = completely satisfied) their satisfaction on the achievement of each of the following course objectives.

1. Conduct a strategic analysis of an organization.
2. Evaluate various management strategies in the development of a business plan.
3. Apply principles of interpersonal and group relations by giving and receiving feedback on individual and group behavior.
4. Apply principles of communication and management consulting in the

The fifth question on the survey asked participants to rate the usefulness of the skills and knowledge they learned form the

program (1 = not useful, 5 = Very useful). Table 1 summarizes the mean scores on participants' satisfaction with achievement of learning objectives and the overall usefulness of the skills and knowledge gained through the program.

Question	Graduate Mean	Undergraduate Mean	Overall Mean
1. Conduct a strategic analysis of an org-ization.	4.23	4.04	4.15
2. Develop a business plan.	4.29	4.36	4.33
3. Give and receive feedback.	3.71	3.68	3.70
4. Prepare and present written and oral proposals.	4.05	4.32	4.20
5. Usefullness of skills and knowledge.	4.05	4.23	4.15

Table 1. Mean Scores for Participants' Satisfaction With Achievement of Learning Objectives and Usefulness of Living Case Study Program

It is apparent that participants, overall, are very satisfied with the competencies gained during the course. They seem to be most satisfied with their ability to develop a business plan, prepare a written and oral presentation to a client, conduct a strategic analysis of an organization and the overall usefulness of the program. They are least satisfied with the feedback on their management and leadership behavior.

No significant differences between graduate (N=25) and undergraduate (N=21) participants were noted. Also, there were no significant differences between classes conducted in 1991 (N=16) and those conducted in 1992 (N=30). The latter finding suggests that there is little attenuation of the satisfaction toward achievement of course objectives or the usefulness of the course over time.

Participants were also asked to respond to three open-ended questions, "List the things you liked most about the Living Case Study."; "List the things you liked least about the Living Case Study."

and, "Make any comments which you feel would improve the Living Case Study program."

With regard to what participants liked most about the program response seemed to overwhelmingly focus on the practical, real-world aspects of the course and the insights gained into small business. These categories received 42 responses. The second most popular category was the opportunity to work as a team and practice interpersonal and leadership skills. There were 14 responses in these categories. Other responses included, instant feedback (2), Instructor facilitated rather than taught (1), and course acted as a confidence builder (1).

Most responses to what participants liked least about the course fell into two categories. The major concern was that there was not sufficient time to accomplish the task. This category received 14 responses. The second major concerns was that participants felt some of their peers were either not carrying their load, or were unprepared for the course. Other responses to this question included, poor data from client (4), no feedback on recommendations (3), not enough structure (2), Instructor not prepared (2), and inappropriate text (2).

Suggestions to improve the program fell into four major categories. The most frequent suggestion was to lengthen the course to eight weeks (8 responses). The second most frequent suggestion was to better screen clients and to insure that they had accurate data for the first class session (6 responses). The third most frequent category of suggestions was to provide feedback from the client at to whether the participants' recommendations were followed, or whether they were successful (5 responses). The fourth most frequent suggestion was to evaluate individual effort and insure that individual participants had met the prerequisites of the course (4 responses). Other suggestions for improving the program included, provide more structure (3 responses), and have a better qualified and organized instructor (2 responses).

A major goal of the program is to have participants complete the experiential learning cycle and reflect on their own and others behavior and to try to form generalizations which might be useful to them in similar situations later in their careers. Evidence that

students have gained some broader insights through the experiential learning process is provided by examination of their individual journals. The journals were somewhat of a disappointment. Even though the instructors lectured to the experiential learning cycle, gave participants a handout describing the purpose of the journal, and provided a journal reading on the subject, many of them just "didn't get it". Most journals were merely a chronology of events or a critique of the course, and provided little evidence of insight into broader principles of group or individual behavior. Whether this lack of insight was due to unclear presentation and tasking on the part of the instructors, or whether participants, indeed, could not conceptualize a link between the class project and broader management principles in not clear. While we were disappointed with most of the journals, there were a few gems that we felt provided evidence that some participants developed broader principles of management and interpersonal skills. Although this evidence is subjective and anecdotal, we consider it made the requirement of maintaining a journal worthwhile.

Client Feedback

All ten clients were interviewed and asked to indicate their satisfaction with the depth of analysis of the research on a 1-5 scale, 1 = completely dissatisfied, 5 = completely satisfied. Due to the small number of clients, the data were considered categorical and means were not calculated.

Two clients considered themselves to be satisfied with the depth of analysis, five were very satisfied, and three were completely satisfied. It is interesting to note that the client satisfaction seemed to increase as the program developed over time, the most recent clients falling into the very and completely satisfied ranges.

Clients were next asked to indicate the usefulness of the materials they received to achieving their business goals. (1 = not useful, 5 = critical). Four clients perceived the plans as useful, four as very useful, and two as critical to achieving goals.

Without exception, the client response to the question as to which parts of the report were most useful in achieving business goals was "verification, confirmation and reinforcement" of their hunches and suspicions about their business and industry trends. Since this is the precise goal of a business plan, the program appears to be right on

target. Other responses were: the practical application, a communication tool for business, specific ideas, and suggestions.

When asked to note the parts of the plan which were least useful, several clients noted that at the time of presentation, some ideas seemed impractical or too costly. With time, that perception changed somewhat and, although cost remained a concern, some ideas looked less impractical. Another comment was a concern about the lack of understanding of the statistical data that was included. In addition, several clients expressed a need for time management in order to implement the strategies in the plans.

Further conversation with the clients brought up the potentially most important missing element of the program; Follow-up with the SBDC after completion of the program. Other than a brief meeting to determine satisfaction with the program, the SBDC left the responsibility for implementation of the plan with the client. Time and business pressures generally meant that the client did not ask for assistance.

When asked how to improve the program, five clients requested follow -up consulting with the SBDC. Other clients wished they could have spent more time in interaction with the participants, thereby increasing their clarity about their businesses. Others sensed the need for a longer time frame for the participants to complete their work. They felt that four weeks was not enough time for the participants to understand the project, and the business, get organized, do the research, compile the data, write the plan, and give the presentation

Conclusions

It can be said that the Living Case Study program is is perceived as effective from both participants and clients. Participants consider that the objectives of the program are being met and that the skills and knowledge they are gaining from the program are useful to them in their professional careers. Clients are generally very satisfied with both the depth of analysis and the usefulness of the product they are receiving.

Based on our analysis we consider that some improvements need to be made in the program. First, an extended format should be considered for the course. From the perception of both the clients,

participants, and authors. a course length of one month is too short to maximize the potential for learning. Data collection, analysis, and preparation of the final presentation to the client require more time. Second, the quality of individual journals needs to be improved. More time should be devoted to this task. Perhaps some examples of the type of insight expected will be of use.

Data received from clients suggest that follow-up consultation from the SBDC is critical to insuring that recommendations from participants are implemented. Also, we have learned that screening and preparation of clients is critical to program success. While these processes have improved as the program has developed, more improvement and refining will be useful.

The Living Case Study program is not unique-there are several examples of similar programs in the current literature. Nonetheless, the authors consider that the program represents a change in the role of the university and the relationship between academia and government which should be expanded.

Placed in a historical context, there is precedence for expanding and encouraging these types of relationships. One hundred and twenty-nine years ago, the Land-Grant Act established educational institutions which combined applied research and education with the needs of local farmers. The development of this relationship between academia and the needs of the local community helped the U.S. develop into the largest agriculture producer in the world. Small farmers could go to the County Agent, who was associated with the local university, and get recommendations on fertilizer, seeds, or any other information on current research that would help to improve the farmer's yield.

The authors believe the SBDC Directors and their staff are the modern equivalent of the old County Agents. The modern university must form partnerships with these agencies and act as a revised land-grant university. This view of the role of the university is shared by Ernest Lynton and Sandra Elman who state, "The need to recapture the basic concept of the land-grant institution is gaining salience. Here and abroad, 'technology transfer' has become the new motto." (Lynton and Elman 1987:29).

The new university should act as a bridge between academia and outside social institutions. In meeting this challenge, the authors

would like to see National University and other universities form alliances with SBDC's and other private and public sector organizations in order to assess needs for new programs and to apply knowledge gained in academic programs.

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